



PÓSTURINN

# Corporate Governance Statement 2024

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## Board and Board Operations

The Board of Directors of Íslandspóstur ohf. ("Íslandspóstur", "Pósturinn", or "the company") places great emphasis on maintaining strong corporate governance. The company's governance practices comply with the Act on Public Limited Companies, No. 2/1995, the Act on Annual Accounts, No. 3/2006, and the Guidelines on Corporate Governance (6th ed.), issued by the Iceland Chamber of Commerce, Nasdaq Iceland, and SA Confederation of Icelandic Enterprise.<sup>1</sup> The Board operates in line with the state's ownership policy, the company's Articles of Association, and its own established Rules of Procedure. The Articles of Association and Rules of Procedure of the Board can be accessed on the company's website. There have been no rulings against the company by relevant supervisory or regulatory authorities for any breaches of laws or regulations.

The role and responsibilities of the Board are defined by the company's Articles of Association. Additionally, the Board has established comprehensive Rules of Procedure defining key tasks and the scope of authority of the Board, its Chair, and the CEO. The current Rules of Procedure were approved by the Board on March 27, 2023, and confirmed on May 27, 2024.

The Board is responsible for maintaining an effective internal control system that is formal, documented, and regularly reviewed. The internal control system should:

- a. Provide assurance of the company's operational effectiveness and efficiency in achieving its objectives,
- b. Ensure reliable and accurate financial reporting to external stakeholders,
- c. Ensure compliance with applicable laws and regulations.

The Board annually reviews the company's internal controls and risk management practices and takes corrective action when necessary.

The CEO, acting on behalf and under the responsibility of the Board, monitors risk factors and conducts risk assessments. The CEO also prepares risk management reports presented to the Board.

The Board and management strive to mitigate the company's risks through active risk analysis and assessment. The CEO regularly reports on the company's risk status, changes from previous assessments, and other relevant matters. Discussions about risk status include determining the Board's risk tolerance and identifying actions or mitigations necessary to minimize each risk.

The company's operational plan is submitted to the Board for approval at the end of each year for the upcoming fiscal year and implemented accordingly. Regular Board meetings include presentations reviewing key performance indicators and operational status. Deviations from the operational plan and previous year's outcomes are analysed and discussed. The CEO's proposals for corrective actions are typically presented and subject to Board discussion and approval.

The Board has one subcommittee, the Remuneration Committee, consisting of the Board Chair and Vice-Chair. The Remuneration Committee proposes a remuneration policy to the Board concerning salaries and other compensation for the company's senior management and board members. The Remuneration Committee annually submits a revised remuneration policy to the Board, which is presented for approval at the company's Annual General Meeting (AGM).

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<sup>1</sup> See the corporate governance guidelines on the website <https://guidelines.is/en-pdf>.

The Board establishes a procedure to evaluate its own performance, practices, and methods, the CEO's and Chair's performance, company development, board member independence, and subcommittee effectiveness.

In 2024, the Board held 11 meetings. Changes occurred to the Board during the year. At the Annual General Meeting, Heiðar Guðjónsson was elected to the Board, replacing Auður Björk Guðmundsdóttir. Heiðar Guðjónsson resigned from the Board after attending two meetings, after which alternate member Sara Sigurðardóttir was appointed to the Board.

Attendance at Board meetings in 2024:

- Auður Björk Guðmundsdóttir – 2
- Baldvin Örn Ólason – 9
- Gísli S. Brynjólfsson – 11
- Guðný Hrund Karlsdóttir – 11
- Halldóra Lóa Þorvaldsdóttir – 11
- Heiðar Guðjónsson – 2
- Sara Sigurðardóttir (alternate) – 7

The Ministry of Finance manages the State's ownership in Íslandspóstur ohf. Communication between shareholders and the Board is conducted through formal channels in cooperation with the Chair of the Board. Board members act independently, without instructions from shareholders or other stakeholders, and maintain confidentiality in their duties.

Þórhildur Ólöf Helgadóttir is the CEO and manages the daily operations of the company on behalf of the Board. The CEO represents the company in all matters concerning daily operations, attends Board meetings, and ensures the implementation of Board decisions. The CEO ensures the company's accounting complies with legal requirements and that financial management is secure and accurate. Further information about the CEO can be found on the company's website.

The current Board members of Íslandspóstur ohf. are:

- Halldóra Lóa Þorvaldsdóttir (Left-Green Movement), first elected in 2021, Chair
- Gísli S. Brynjólfsson (Progressive Party), first elected in 2021
- Baldvin Örn Ólason (People's Party), first elected in 2021
- Guðný Hrund Karlsdóttir (Social Democratic Alliance), first elected in 2021

Sara Sigurðardóttir (Independence Party) is an alternate member, appointed in 2024.

Board members are appointed based on recommendations from political parties in Parliament. All board members are independent of the company and its shareholder, in accordance with clause 2.3 of the Guidelines on Corporate Governance. After the resignation of a principal board member in spring 2024, Sara Sigurðardóttir, an alternate member, was called in to participate fully in board meetings and duties as a principal member. Formally, her appointment as a principal member was not completed in 2024; therefore, she remains listed as an alternate member. The company thus complies with legal requirements regarding gender ratio on the boards of public limited companies. The education, experience, and knowledge of the Board members are extensive, with detailed information about three principal Board members available on the company's website. The company has not received information about Baldvin Örn Ólason's professional background.